



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

MISSION COMMUNITY BANCORP/MISSION COMMUNITY BANK

Person to be contacted regarding this report:	Anita M. Robinson, CEO
CPP Funds Received:	\$5,116,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/9/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2948366
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	San Luis Obispo
State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	If the bank did not have the benefit of TARP funds, it would have been necessary to reduce the size of the balance sheet further than it had been reduced in order to maintain acceptable capital ratios.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The TARP funds supported increased lending by the bank in the following types of loans: Consumer loans, U.S. Small Business Administration loans Commercial loans, and Real Estate loans.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	As a result of the receipt of TARP funds, the bank was able to purchase \$19 million in agency and mortgage backed securities in excess of securities maturing or sold, which assisted in the strengthening of the securitized mortgage market.
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input checked="" type="checkbox"/>	Reduce borrowings	Partly as a result of TARP capital provided, the bank was able to reduce its borrowings from the Federal Home Loan Bank of San Francisco by \$39.7 million over the course of the year 2009.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Receipt of TARP funds further strengthened the bank's capital position and also alleviated the need to access capital markets at a very inopportune time in order to obtain additional capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The receipt of TARP funds helped the bank continue its mission of providing lending opportunities for community development projects in the communities it serves. Specifically, in 2009 Mission Community Bank, a certified Community Development Financial Institution ("CDFI") acted as the "lead" bank for a community development loan provided for the "Colony Square" project in Atascadero, CA. The project is located in downtown Atascadero, in an area that has been deemed "blighted." This project had the backing of local community and City Government and is considered to be integral to the revitalization downtown Atascadero. Atascadero is the 3rd largest city in San Luis Obispo County, with over 10.5% of the population of San Luis Obispo County living within the city limits, and the 3rd highest taxable sales. Atascadero is also home to one of San Luis Obispo County's largest employers, the Atascadero State Hospital, and is a growing center of commerce and employment in Northern San Luis Obispo County. Upon completion of this project, Colony Square will include a 10-screen, 35,000 square foot movie theater; 75,230 square feet of restaurants, galleries and shops; 67 residential work units; and 17,100 square feet of general office. Mission Community Bank is proud to be a part of a project that will provide community benefits for years to come.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

N/A